

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----- x
:
In re: :
: Chapter 11
DELPHI CORPORATION, et al., :
: Case No. 05 – ____ (____)
Debtors. :
: (Jointly Administered)
:
----- x

ORDER AUTHORIZING THE DEBTORS TO
IMPLEMENT A KEY EMPLOYEE COMPENSATION PROGRAM

("KECP ORDER")

Upon the motion dated October 8, 2005 (the "Motion"),¹ wherein Delphi Corporation ("Delphi") and certain of its domestic subsidiaries and affiliates (the "Affiliate Debtors"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), moved for an order under sections 105(a) and 363(b)(1) authorizing the Debtors to implement a key employee compensation program (the "Key Employee Compensation Program"); and upon the Affidavit Of Robert S. Miller, Jr. In Support Of Chapter 11 Petitions And First Day Orders, sworn to October 8, 2005; and upon the record of the hearing held on the Motion; and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor,

¹ Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

IT IS HEREBY FOUND AND DETERMINED THAT:

- A. A sound business justification exists for entering into the compensation programs identified on Exhibit 1 attached hereto (the "Key Employee Compensation Program");
- B. The Key Employee Compensation Program is fair and reasonable and was proposed in good faith; and
- C. The implementation of the Key Employee Compensation Program is in the best interest of the Debtors, their estates, creditors and interest holders and necessary to the Debtors' reorganization efforts.

ORDERED, ADJUDGED, AND DECREED THAT:

- 1. The Motion is GRANTED.
- 2. The Key Employee Compensation Program is approved in all respects and the Debtors are authorized, pursuant to 11 U.S.C. §§ 105(a) and 363(b)(1), to take all necessary actions to implement the Key Employee Compensation Program on the terms and conditions set forth in the Motion and as detailed in Exhibit 1 attached hereto.
- 3. The Debtors' key executives (the "Covered Employees") are entitled to payments under the Key Employee Compensation Program.
- 4. The payment to which a Covered Employee is entitled under the Key Employee Compensation Program shall be accorded administrative expense status and priority under sections 503(b)(1)(A) and 507(a)(1) of the Bankruptcy Code.
- 5. The Court shall retain jurisdiction over the Debtors and the Covered Employees participating in the Key Employee Compensation Program including, without limitation, for the purposes of interpreting, implementing and enforcing the terms and conditions of the Key Employee Compensation Program.

6. The requirement under Local Rule 9013-1(b) for the service and filing of a separate memorandum of law is deemed satisfied by the Motion.

Dated: New York, New York
October __, 2005

UNITED STATES BANKRUPTCY JUDGE